

respect to upgrading this envelope to a 3-hour fire rating.

On the basis of the NRC staff evaluations discussed above, and contingent on the installation of area-wide fire detection systems, upgrading the existing Thermo-Lag fire barriers to ensure a minimum 1-hour fire rating, and continued implementation of the administrative controls previously discussed, the staff has concluded that an exemption from the technical requirements of Section III.G.2.c of Appendix R, to the extent that it requires the installation of automatic fire suppression systems, should be granted for fire areas CB-FA-2b, CB-FA-2c, CB-FA-2d, CB-FA-2e, CB-FA-2f, CB-FA-2g, CB-FA-3a, and CB-FA-3b. The staff has concluded that the licensee's exemption request for fire zone FH-FZ-5 should be denied.

IV

The Commission has determined that, pursuant to 10 CFR 50.12, the exemption requested by the licensee in the letter dated August 16, 1996, supplemented by letters dated August 28, 1996, and January 3, 1997, for fire areas CB-FA-2b, CB-FA-2c, CB-FA-2d, CB-FA-2e, CB-FA-2f, CB-FA-2g, CB-FA-3a, and CB-FA-3b, is authorized by law, will not present an undue risk to public health and safety, and is consistent with the common defense and security. The Commission has further determined that special circumstances are present in that application of the regulation is not necessary to achieve the underlying purpose of the rule, which is to establish fire protection features such that the ability to perform safe shutdown functions in the event of a fire is maintained.

Therefore, contingent on the installation of an area-wide fire detection system in the affected fire areas and upgrading the existing Thermo-Lag fire barriers within the affected fire areas to ensure a minimum 1-hour fire rating, and continued implementation of the administrative controls discussed above, the Commission hereby grants GPU Nuclear Corporation an exemption from the technical requirements of Section III.G.2.c of Appendix R, to the extent that it requires the installation of automatic fire suppression systems, for fire areas CB-FA-2b, CB-FA-2c, CB-FA-2d, CB-FA-2e, CB-FA-2f, CB-FA-2g, CB-FA-3a, and CB-FA-3b, at TMI-1. The request for exemption for fire zone FH-FZ-5, included by the licensee in the same submittal, is denied.

Pursuant to 10 CFR 51.32, the Commission has determined that the

granting of this exemption will have no significant impact on the quality of the human environment (62 FR 37082).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 11th day of July 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 97-19063 Filed 7-18-97; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-275 and 50-323]

Pacific Gas and Electric Company; Diablo Canyon Power Plant, Unit Nos. 1 and 2; Notice of Withdrawal of Application for Amendments to Facility Operating Licenses

The United States Nuclear Regulatory Commission (the Commission) has granted the request of Pacific Gas and Electric Company (the licensee) to withdraw its January 17, 1996, as supplemented by letter dated July 17, 1996, application for proposed amendment to Facility Operating License Nos. DPR-80 and DPR-82 for the Diablo Canyon Power Plant, Unit Nos. 1 and 2, located in San Luis Obispo County, California.

The proposed amendment would have relocated selected technical specifications (TS) in accordance with the Commission's Final Policy Statement (10 CFR 50.36) for relocation of current TS that do not meet any of the screening criteria for retention. These TS would have been relocated to the Diablo Canyon Power Plant Equipment Control Guidelines. This change would also create TS 6.8.4.j, "Explosive Gas and Storage Tank Radioactivity Monitoring Program."

The Commission had previously issued a Notice of Consideration of Issuance of Amendment published in the **Federal Register** on April 10, 1996 (61 FR 15991). However, by letter dated July 2, 1997, the licensee withdrew the proposed change.

For further details with respect to this action, see the application for amendment dated January 17, 1996, as supplemented by letter dated July 17, 1996, and the licensee's letter dated July 2, 1997, which withdrew the application for license amendment. The above documents are available for public inspection at the Commission's Public Document Room, 2120 L Street, NW., Washington, DC, and the local

public document room located at California Polytechnic State University, Robert E. Kennedy Library, Government Documents and Maps Department, San Luis Obispo, California 93407.

Dated at Rockville, Maryland this 15th day of July 1997.

For the Nuclear Regulatory Commission.

Steven D. Bloom,

Project Manager, Project Directorate IV-2, Division of Reactor Projects III/IV, Office of Nuclear Reactor Regulation.

[FR Doc. 97-19061 Filed 7-18-97; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22749; File No. 812-10648]

Hotchkis and Wiley Variable Trust, et al.

July 14, 1997.

AGENCY: The Securities and Exchange Commission (the "Commission").

ACTION: Notice of application for an exemption pursuant to the Investment Company Act of 1940 (the "1940 Act").

APPLICANTS: Hotchkis and Wiley Variable Trust (the "Trust") and Merrill Lynch Asset Management, L.P. ("MLAM").

RELEVANT 1940 ACT SECTIONS: Order requested pursuant to Section 6(c) granting exemptions from the provisions of Sections 9(a), 13(a), 15(a), and 15(b) of the 1940 Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

SUMMARY OF APPLICATION: Applicants seek exemptive relief to the extent necessary to permit shares of the Trust and shares of any other investment company or portfolio that is designed to fund insurance products and for which Hotchkis and Wiley ("H&W") may serve in the future, as investment adviser, administrator, manager, principal underwriter, or sponsor ("Future Trusts," together with Trust, "Trusts") to be sold to and held by variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated life insurance companies and by qualified pension and retirement plans ("Qualified Plans" or "Plans") outside of the separate account context.

FILING DATE: This application was filed on May 9, 1997.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be